

CORPORATE AND POSTAL BUSINESS LAW SECTION
LAW DEPARTMENT



May 7, 2021

Hon. Erica A. Barker, Secretary
Postal Regulatory Commission
901 New York Avenue, NW, Suite 200
Washington, DC 20268-0001

Dear Ms. Barker:

In accordance with Commission Order No. 5591, issued July 20, 2020 in Docket No. MT2020-2, the Postal Service hereby submits the attached Extended Mail Forwarding market test data collection report for Fiscal Year 2021, Quarter 2.

If you have any questions, please do not hesitate to contact me.

Best regards,

Sean C. Robinson
Attorney
Pricing and Product Support

PRC REPORT FY21 Q2

PROGRAM: Extended Mail Forwarding Marketing Test

LAUNCH DATE FOR MARKET TEST: August 1, 2020 (only includes data for 9 districts)

TIME PERIOD OF EVALUATION: January 1, 2021 through March 31, 2021 (includes nationwide data by Area)

DESCRIPTION: For a fee, Extended Mail Forwarding will provide customers who submit a permanent change-of-address (COA) request with the option to extend their mail forwarding in six-month increments (up to three six-month extensions) of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail mailpieces beyond the initial 1 year forwarding period.

METRICS:

1) Number of Extensions

Area	# of 6 Month Extensions	# of 12 Month Extensions	# of 18 Month Extensions	Total Extensions
Atlantic	50,625	26,576	12,981	90,182
Central	27,467	13,253	6,069	46,789
Southern	65,304	28,761	12,388	106,453
Western-Pacific	73,975	35,990	17,097	127,062
Other (Military ZIP Codes)	7	4	2	13
Total	217,378	104,584	48,537	370,499

Source: Extended Mail Forwarding Monthly Push Report

2) Revenue

Area	Revenue from 6 Month Extensions	Revenue from 12 Month Extensions	Revenue from 18 Month Extensions	Total Revenue
Atlantic	\$1,009,968.75	\$795,951.20	\$518,590.95	\$2,324,510.90
Central	\$547,966.65	\$396,927.35	\$242,456.55	\$1,187,350.55
Southern	\$1,302,814.80	\$861,391.95	\$494,900.60	\$2,659,107.35
Western-Pacific	\$1,475,801.25	\$1,077,900.50	\$683,025.15	\$3,236,726.90
Other (Military ZIP Codes)	\$139.65	\$119.80	\$79.90	\$339.35
Total	\$4,336,691.10	\$3,132,290.80	\$1,939,053.15	\$9,408,035.05

Source: Extended Mail Forwarding Monthly Push Report

3) Number of customers and ratio of individuals, families, and businesses

Area	# of Extensions by Individuals	# of Extensions by Families	# of Extensions by Businesses	Total Customers
Atlantic	54,623	27,783	7,776	90,182
Central	26,720	16,410	3,659	46,789
Southern	58,256	40,371	7,826	106,453
Western-Pacific	73,939	42,522	10,601	127,062
Other (Military ZIP Codes)	3	10	0	13
Total	213,541	127,096	29,862	370,499

Area	% of Extensions by Individuals	% of Extensions by Families	% of Extensions by Businesses
Atlantic	61%	31%	9%
Central	57%	35%	8%
Southern	55%	38%	7%
Western-Pacific	58%	33%	8%
Other (Military ZIP Codes)	23%	77%	0%
Total	58%	34%	8%

Source: Extended Mail Forwarding Monthly Push Report

4) Volume of mailpieces forwarded

Month	EMF Customers	Forwarded Pieces	Customers Not EMF	RTS/Wasted Pieces
January	5,570	9,590	2,275,795	10,917,109
February	8,085	15,090	2,198,576	9,675,613
March	12,278	22,140	2,398,024	13,210,318
Total	25,933	46,820	6,872,395	33,803,040

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

5) Attributable costs

Description	Individual Cost	Number of Items	Total Cost
Development Costs			
Server Purchase	N/A	20 servers	\$281,167.60
RSS Development and Testing	N/A	N/A	\$32,393.48
COA and MGO Development and Testing	N/A	N/A	\$157,545.69
Attributable			
IT Maintenance - FY 2020*	\$1,622.40	20 servers	\$32,448.00
RSS - Clerk Transaction (~2.88 min per request)**	\$4.36	308	\$1,342.88
Total			\$504,897.65

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations,

**FY20 Window Cost Study

The attributable costs for Extended Mail Forwarding include both fixed and variable costs. The IT Maintenance costs are associated with maintenance of 20 dedicated servers, which is a fixed cost associated with offering the service, regardless of the quantity or location of the requests. Therefore, the IT Maintenance costs are not reported by district. The RSS – Clerk Transaction costs are variable, based on the number of Extended Mail Forwarding requests that are processed at a retail window and can be broken down by Area (see table below).

Area	Individual Cost*	# RSS requests**	Total Cost
Atlantic	\$4.36	81	\$353.16
Central	\$4.36	68	\$296.48
Southern	\$4.36	66	\$287.76
Western-Pacific	\$4.36	93	\$405.48
Other (Military ZIP Codes)	\$4.36	0	\$0.00
Total		308	\$1,342.88

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations, FY20 Window Cost Study

**Source: Extended Mail Forwarding Monthly Push Report

Note: All Extended Mail Forwarding request for Military ZIP Codes were submitted via usps.com

6) Comparison by Quarter

Quarter	Revenue	Extensions	EMF Customers	Forwarded Pieces	Customers Not EMF	RTS/Wasted Pieces
Q1	\$7,958,925.30	313,694	4,041	6,925	7,478,942	39,618,207
Q2	\$9,408,035.05	370,499	25,933	46,820	6,872,395	33,803,040
Total	\$17,366,960.35	684,193	29,974	53,745	14,351,337	73,421,247

